

## Message Text

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S E C R E T SECTION 01 OF 02 PARIS 1390

E.O. 11652: GDS

TAGS: PARM, PFOR, MASS, XG, FR

SUBJECT: DEPARTMENTAL STUDY OF CONVENTIONAL ARMS

SUPPLY RESTRAINTS

REF: A. STATE 305504

B. HUMPHREYS-TO-BEIGEL LETTER OF MARCH 18, 1974

1. BEGIN SUMMARY: WE WELCOME DEPARTMENT'S INITIATIVE (REF A) TO REVIEW PROSPECTS FOR WORKABLE RESTRAINTS ON CONVENTIONAL ARMS SUPPLY. REF B TRANSMITTED TO DEPARTMNT EMBASSY'S RATHER PESSIMISTIC ANALYSIS OF OPTIONS FOR SUCH RESTRAINTS. IN THE ALMOST TWO YEARS SINCE OUR STUDY, WE HAVE NOT DETECTED MUCH EVIDENCE TO SUGGEST THAT HOPES SHOULD BE ANY HIGHER TODAY. HOWEVER, THERE IS SOME NEW--ALTHOUGH SLIM--EVIDNCE SUGGESTING THAT FRENCH MIGHT, REPEAT MIGHT, BE MORE OPEN THAN IN THE PAST TO REDUCING CONVENTIONAL ARMS EXPORTS. INITIALLY, THE BILATERAL CHANNEL IS MORE LIKELY TO ENGAGE THEIR SERIOUS ATTENTION THAN LARGER FORA WOULD. END SUMMARY.

2. BACKGROUND - WE WELCOME OPPORTUNITY TO PROVIDE

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OUR COMMENTS TO DEPARTMENT'S IN-HOUSE STUDY AT BEGINNING OF STUDY CYCLE WHEN THEY CAN BE MOST

USEFUL TO OVERALL GOAL OF PRODUCING BEST POSSIBLE FINAL PRODUCT. TWO YEARS AGO, IN THE WAKE OF THE OCTOBER 1973 ARAB-ISRAELI WAR AND THE SUCCEEDING RUSH TO REFILL THE PARTICIPANTS' DEPLETED ARMAMENT QUIVERS, WE PREPARED SHORT EMBASSY STUDY OF OPTIONS FOR FUTURE U.S. POLICY CONCERNING ARMS SALES TO MIDDLE EAST, INCLUDING SEVERAL OPTIONS INVOLVING MULTILATERAL RESTRAINTS (REF B). GIVEN THE GENERAL ATMOSPHERE OF THAT PERIOD, OUR CONCLUSIONS WERE PESSIMISTIC THAT ANY COMPREHENSIVE AND WORKABLE RESTRAINTS ON SUPPLIES OF CONVENTIONAL ARMS COULD BE ESTABLISHED MULTILATERALLY. THE FOLLOWING PARAGRAPHS EXAMINE OUR PERCEPTION OF FRANCE'S RECENT POLICY ON CONVENTIONAL ARMS TRANSFERS, POSSIBLE SIGNS OF CHANGE IN THAT POLICY, AND OUR RECOMMENDATIONS FOR APPROPRIATE CONSULTATION.

3. GENERAL TRENDS - HISTORICALLY, FRENCH HAVE SOUGHT TO SEPARATE POLITICAL AND ECONOMIC ASPECTS OF ARMS SALES ABROAD FROM MORAL CONSIDERATIONS. CONSEQUENTLY, "MERCHANTS OF DEATH" SYNDROME HAS ENJOYED MUCH LESS POPULARITY IN FRANCE THAN IN SOME OTHER COUNTRIES. IN WAKE OF 1967 ARAB-ISRAELI WAR, DEGAULLE IMPOSED RESTRICTIONS ON SHIPMENT OF FRENCH ARMS TO "FRONT LINE" NATIONS, IN EFFECT, CUTTING OFF SUPPLIES TO ISRAEL, BUT EVEN THIS ISOLATED ATTEMPT AT CONVENTIONAL ARMS SUPPLY RESTRAINT HAD RATHER FORMIDABLE GAPS IN PRACTICE. ONE RESULT OF THE 1973 ARAB-ISRAELI WAR WAS THE TOTAL ABANDONMENT OF THIS POLICY, AND A RENEWED WILLINGNESS TO SELL WEAPONS TO PRACTICALLY ALL BUYERS. POLITICALLY, THE FRENCH BELIEVE THAT ARMS SALES GIVE THEM INCREASED INFLUENCE IN AREAS OF IMPORTANCE TO FRANCE, WHILE REINFORCING THE FRENCH "GLOBAL" VISION AND FORCING THE U.S. AND USSR, AS WELL AS OTHERS, TO REGARD FRANCE AS A MAJOR FACTOR TO BE RECKONED WITH. ECONOMICALLY, FRANCE HAS BEEN DETERMINED TO MAINTAIN--AND IF POSSIBLE EXPAND--ITS ARMAMENT INDUSTRY AS A KEY ELEMENT IN

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OVERALL FRENCH ECONOMIC GROWTH, AS AN IMPORTANT CRUCIBLE OF TECHNOLOGICAL ADVANCEMENT, AND AS A SOURCE OF SIGNIFICANT REGIONAL EMPLOYMENT. MOREOVER, FRANCE HAS SOUGHT TO DEVELOP SOPHISTICATED ARMAMENTS FOR ITS OWN NATIONAL DEFENSE AND AS AN ESSENTIAL ELEMENT IN ITS POLICY OF "INDEPENDENCE." TO SUPPORT A LARGE, MODERN ARMAMENTS INDUSTRY TO MEET THESE ECONOMIC, POLITICAL AND MILITARY NEEDS, FRANCE HAS PURSUED EXTENSIVE WORLD MARKETS, AND HAS BUILT LARGE GOVERNMENT AND PRIVATE BUREAUCRACIES

THAT PRESS FOR CONTINUATION OF THIS EXPANSIONIST ARMS SALES POLICY. FRENCH REQUIREMENTS ALONE SIMPLY WOULD NOT PROVIDE ENOUGH DEMAND TO SUPPORT A DOMESTIC ARMS INDUSTRY SUFFICIENT TO MEET THESE AMBITIOUS FRENCH POLICY OBJECTIVES. TO PRESERVE AND EXPAND ITS LARGE ARMAMENTS PRODUCTION BASE, FRANCE HAS BEEN PREPARED TO COOPERATE BILATERALLY (WHERE POSSIBLE) AND MULTILATERALLY (WHERE NECESSARY AND ECONOMICALLY OR POLITICALLY JUSTIFIED), PARTICULARLY WITH THE UK, FRG AND U.S. ON ARMAMENTS PRODUCTION. IN COMING MONTHS FRANCE WILL TEST NATO EUROPE'S WILLINGNESS TO ESTABLISH EVEN CLOSER COOPERATION IN AREAS OF ARMAMENT PROCUREMENT AND PRODUCTION IN AN EFFORT TO PROTECT FRENCH PRODUCTIVE CAPACITY, TO ACHIEVE MORE COST-EFFECTIVE PRODUCTS AND TO PULL THE EUROPEANS CLOSER TOGETHER UNDER FRENCH LEADERSHIP. IF THIS EFFORT IS SUCCESSFUL (AND IT IS NOT AT ALL CERTAIN THAT EITHER FRANCE OR ITS EUROPEAN ALLIES ARE PREPARED TO MAKE THE DIFFICULT COMPROMISES THAT SUCCESS WOULD REQUIRE), IT COULD PRODUCE A MORE RATIONAL AND EFFICIENT EUROPEAN ARMAMENTS INDUSTRY. IN FACT, HOWEVER, THIRD COUNTRY SALES UNDER EXISTING CO-PRODUCTION AGREEMENTS HAVE PRODUCED SERIOUS DISAGREEMENT BETWEEN FRANCE AND ITS ALLIES (E.G. WITH THE FRG OVER SALES OF ALPHA JET IN THE MIDDLE EAST), WHICH TELLS US SOMETHING ABOUT "EUROPEAN IDENTITY" WHEN IT COMES TO ARMS SALES.

4. RECENT DEVELOPMENTS - IN THE LAST YEAR, THIS  
NAT DESCRIPTION OF AN AMBITIOUS, EXPANSIONIST

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FRENCH ARMS TRANSFER POLICY HAS SHOWN SEVERAL SMALL CRACKS. NONE OF THE EVIDENCE IS YET COMPELLING, BUT TAKEN TOGETHER IT SUGGESTS THAT FRANCE MAY, REPEAT MAY, BECOME MORE RECEPTIVE TO A REGIME OF RESTRAINTS THAN WOULD HAVE BEEN THE CASE IN THE PAST. GISCARD HAS ALREADY DEMONSTRATED HIS SENSITIVITY TO THE POLITICAL ISSUES INVOLVED IN ARMS SALES TO SOUTH AFRICA. WHILE HIS PARTIAL EMBARGO ON THESE SALES HAS MANY SIZABLE GAPS, NONETHELESS GISCARD HAS ESTABLISHED A NEW PRECEDENT

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FOR LIMITING FRENCH ARMS TRANSFERS. MOREOVER, GISCARD MAY BE GENUINELY CONCERNED BY THE SPECTRE OF VAST AND MODERN ARSENALS FALLING INTO THE HANDS OF "IRRESPONSIBLE" GROUPS OR NATIONS FOLLOWING UNFORESEEABLE POLICIES FOR THEIR USE. FINALLY, IN THE LAST WEEK, FRENCH CATHOLIC LEADER CARDINAL MARTY OF PARIS ASSAILED "MISTAKEN ECONOMIC NOTIONS" CONCERNING SALES OF FRENCH ARMS ABROAD. THIS UNUSUAL PUBLIC STATEMENT WAS QUICKLY REBUTTED BY

PM CHIRAC AND MOD BOURGESJZ. NEVERTHELESS, IT HAS REOPENED THIS SUBJECT TO PUBLIC DEBATE AND THE RIPPLES HAVE STARTED TO SPREAD. LIKE THE REST OF US, HOWEVER, GISCARD WOULD FIND GREAT DIFFICULTY IN TRANSLATING THIS IDEALISM INTO A COHERENT BODY OF WORKABLE MULTILATERAL RESTRAINTS THAT DO NOT PLACE IN JEOPARDY OTHER FRENCH FOREIGN AND DOMESTIC GOALS.

5. POSSIBLE LIMITATIONS - FRENCH WILL EXAMINE SKEPTICALLY ALL PROPOSALS FOR ARMS SALES LIMITATIONS. TO THEM, THE ARMS SALES ISSUE IS A SYMPTOM, NOT A CAUSE, OF LARGER PROBLEMS. THEY WILL NEED

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TO BE SHOWN THAT SUCH A REGIME CAN BE ENFORCED IN A WAY THAT DOES NOT FAVOR SOME PLAYERS AT FRANCE'S EXPENSE. THEY WILL WONDER HOW THE COMMUNIST NATIONS

(E.G. THE SOVIETS AND CHINA) CAN BE PERSUADED TO ABIDE BY THE REGIME. THEY WILL LOOK FOR AN ACCEPTABLE MECHANISM ALLOWING FOR EXCEPTIONS, ONE THAT WILL NOT OPERATE TO FRANCE'S DISADVANTAGE. AND MOST IMPORTANTLY THEY WILL EXPECT COMPLETE RECOGNITION THAT FRANCE IS A MAJOR PLAYER--NOT JUST ONE OF THE HERD--WHEN IT COMES TO DECIDING COOPERATIVE POLICIES ON ARMS RESTRAINT.

6. POSSIBLE FORA - THE FRENCH TEND TO JUDGE THE SERIOUSNESS OF INTENT OF OTHERS IN PART BY THE FORUM CHOSEN TO ENGAGE THEM. IF IT IS LIMITED TO THE PLAYERS WHO--IN FRENCH EYES--REALLY COUNT, THE FORUM CAN BECOME AN INCENTIVE TO FRENCH PARTICIPATION. IN MOST CASES, THIS MEANS THE FRENCH PREFER BILATERALISM SIMPLY BECAUSE THEY PERCEIVE UNSATISFACTORY DILUTION IN LARGER GROUPS. OCCASIONALLY THEY ACCEPT LARGER FORA, SUCH AS THE QUADRIPARTITE INSTITUTIONS OR, MOST RECENTLY, THE NUCLEAR SUPPLIERS CONFERENCE.

SPECIAL CIRCUMSTANCES, OF COURSE, CAN MAKE EVEN LARGER GROUPS (CSCE, NORTH-SOUTH) ACCEPTABLE. BUT IN PRINCIPLE, THEY ARE GUIDED BY THE "SMALL IS BETTER" APPROACH TO FORA. CONSEQUENTLY, IF THE U.S. DECIDES TO PURSUE THE CONCEPT OF CONVENTIONAL ARMS RESTRAINTS WITH DETERMINED SERIOUSNESS, WE WOULD RECOMMEND INITIAL BILATERAL DISCUSSIONS WITH THE FRENCH. THIS WOULD NOT, OF COURSE, EXCLUDE LATER MULTILATERALIZATION, AND IT WOULD PROVIDE US AN OPPORTUNITY TO TEST FRANCE'S TOLERANCE REGARDING VARIOUS OPTIONS FOR EXPANDING THE FORA.

7. POTENTIAL GUIDELINES - AS WE SUGGEST ABOVE, IT IS NOT AT ALL CLEAR THAT FRANCE COULD BE SUCCESSFULLY ENGAGED IN AN EXTENDED SUBSTANTIVE DISCUSSION OF RESTRAINTS. IT IS EVEN LESS CLEAR

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WHAT GUIDELINES THEY MIGHT FIND MOST ATTRACTIVE IF THEY WERE TO CHOOSE TO PARTICIPATE IN SUCH DISCUSSIONS. WE SUSPECT, HOWEVER, THAT THEY WOULD BE MORE ATTRACTED TO THE PRAGMATIC CASE-BY-CASE APPROACH (AS IN THE CASE OF LEBANON) RATHER THAN MORE GRANDIOSE FORMULAS. BUT OUR CRYSTAL BALL ADMITS TO GREAT HAZINESS ON THIS.

8. NATO - IF WE EXPECT THE FRENCH TO TAKE SERIOUSLY A U.S. INITIATIVE SEEKING COOPERATIVE RESTRAINTS ON THE SUPPLY OF CONVENTIONAL ARMS, WE SHOULD NOT

LAUNCH OUR CAMPAIGN IN NATO BEFORE CONDUCTING  
BILATERAL DISCUSSIONS WITH THE FRENCH (AND PERHAPS  
OTHER KEY COUNTRIES) FOR THE REASON DESCRIBED IN  
PARA 6 ABOVE. SHOULD WE DECIDE, HOWEVER, EITHER  
THAT WE DO NOT FORESEE HOPE FOR SUCCESS SUFFICIENT  
TO JUSTIFY UNDERTAKING AN INITIATIVE, OR IF WE  
DECIDE ON AN INITIATIVE FOR OPTICAL RATHER THAN  
SUBSTANTIVE REASONS, WE RECOMMEND THAT THE FRUITS  
OF THE DEPARTMENT'S LABOR--APPROPRIATELY  
SANITIZED--BE EXPOSED TO OUR NATO ALLIES FOR THEIR  
INFORMATION.  
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